

**Co-Chairs' Summary Conclusions of the
Fifth APEC Electronic Commerce Steering Group Meeting
23 February 2002, Mexico City, Mexico**

The fifth meeting of the Electronic Commerce Steering Group (ECSG) was held on 23 February 2002 in Mexico City, Mexico. The Co-Chairs were Mr. Peter Ferguson of Canada and Mr. Zhang Daming of China. The meeting was attended by Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Mexico; New Zealand; Peru; the Philippines; Russia; Chinese Taipei; Thailand; the United States; and Viet Nam. The APEC Secretariat and the Official Observer from PECC were also present.

I. Introductory Remarks by Co-Chairs

Mr. Zhang Daming made introductory remarks to the meeting, noting the purpose of the ECSG, which is to carry out its mandate of coordination of e-commerce activities across APEC, specifically by implementing its 2002 Work Plan endorsed by the 13th APEC Ministerial Meeting (AMM).

Mr. Ferguson informed the meeting of his intention to utilise the issue champions approach to manage the ECSG's work programme for maximum efficiency and effectiveness. The Draft Annotated Agenda was also proposed and adopted as appears in Annex A.

II. Report on Outcomes of the 9th APEC Economic Leaders Meeting (AELM), the 13th AMM, the Informal SOM Retreat of 5 December 2001 and Implications for the 2002 ECSG Work Plan, covering:

- i. The Shanghai Accord**
- ii. The e-APEC Strategy**
- iii. The APEC Leaders Counter-Terrorism Statement**

The APEC Secretariat reported on outcomes of the 9th APEC Economic Leaders Meeting, the 13th APEC Ministerial Meeting, the Informal SOM Retreat of 5 December 2001 and implications for the 2002 ECSG Work Plan, as appears in Annex B.

Ambassador Larry Greenwood, SOM Leader of the United States, Chair of the e-APEC Task Force (eATF) addressed the meeting on the e-APEC Strategy, the purpose of which is to develop and expand the 2000 Action Agenda for the New Economy. The Strategy develops a forward-looking, long term, and action-oriented plan under three pillars, namely:

1. to create an environment for strengthening market structures and institutions;
2. to facilitate an environment for infrastructure investment and technology development; and
3. to enhance human capacity building and promote entrepreneurship.

Ambassador Greenwood outlined his intention to write to member economies and fora to seek input on implementation of the Strategy for a report to the AMM or AELM and appropriate sectoral ministerial meetings, with periodic reports to the SOM. In this context, he noted the relevance of the ECSG's work on the legal and regulatory

environment and also on capacity building. He stressed the importance of implementation of the Strategy from the ground level up and that the focus of the eATF would be on monitoring implementation and giving credit where it is due. In the future, he said follow-up of the e-APEC Strategy post expiry of the mandates of the eATF and the ECSG would need to be considered.

Mexico emphasized that the ECSG's work, including that on paperless trading and privacy responds to the e-APEC Strategy. In addition, the meeting concurred with Mexico's request for the Secretariat to advise on possible ECSG action in response to the Leaders and Ministers taskings, in particular that contained in the Shanghai Accord.

Australia gave notice of a possible pathfinder initiative on streamlining cross border flows of goods through e-commerce.

III. Implementation of the 2002 ECSG Work Plan

i. Paperless Trading IAPs

Japan tabled its paperless trading IAP (2002/SOM I/ ECSG/003). The meeting noted that at SOM II and the Meeting of Ministers Responsible for Trade (MRT) in May 2002, six paperless trading IAPs could be expected from Australia; Chinese Taipei; Hong Kong, China; Japan; Korea and Thailand. These and other member economies are urged to submit their paperless trading IAPs to the Secretariat by 30 April 2002 in advance of the SOM II and MRT meetings. Mexico will prepare its paperless trading IAP for SOM III.

ii. APEC E-Commerce Business Alliance

China tabled the proposed Terms of Reference of the APEC E-Commerce Business Alliance (2002/SOM I/ECSG/008). In addition to the terms of reference, the latter document also contains proposals for a work programme and a website to be sponsored by China.

In considering China's proposals, the meeting discussed the following issues:

1. business support for the E-Commerce Business Alliance;
2. relationship to existing structures for engaging business; and
3. long term objectives.

The meeting agreed for member economies to provide relevant business contact points to China by 31 March 2002 for the further development of this proposal.

iii. Proposal for Strengthening Economic and Technical Cooperation among APEC Member Economies in the Field of E-Commerce

China tabled a Report on China's Follow-up Action of the "Proposal for Strengthening the Economic and Technical Cooperation among APEC Member Economies in the Field of E-Commerce" (2002/SOM I/ ECSG/009). China also proposed an Action Plan on Strengthening Economic and Technical Cooperation in the Field of E-Commerce among APEC Member Economies (2002/SOM I/ ECSG/0010) and an APEC E-Commerce Fair (2002/SOM I/ ECSG/006) with a proposed date of June 2003 in Yantai, Shandong Province, China.

In considering China's proposals, the meeting discussed the following issues:

1. the relationship between the proposed Action Plan and the 1998 Blueprint for Action on Electronic Commerce; and
2. the relationship between the proposed E-Commerce Fair and other public-private sector activities such as the High Level Symposium on e-Government.

The meeting agreed for member economies to give further consideration to the above-mentioned proposals and to provide specific comments to China on the Action Plan on Strengthening Economic and Technical Cooperation in the Field of E-Commerce among APEC Member Economies by 31 March 2002.

iv. 2000 APEC-Wide Action Plan to Support the Use of Electronic Commerce by SMEs, incorporating priorities of micro, small and medium enterprises

The meeting took note of the United States' and Mexico's intention to implement a digital trade corridor pilot initiative and agreed that the ECSG 6 meeting will consider what further action can be taken related to this initiative in a broader APEC context. The United States agreed to circulate an information paper on its initiative to the ECSG by mid-March 2002.

v. Consumer Protection

New Zealand introduced the draft report on Approaches to Consumer Protection within the APEC Region (2002/SOM I/ECSG/004). The United States introduced the Recommendations to APEC Ministers on Consumer Protection for the On-line Environment (2002/SOM I/ ECSG/005). Contributions to the report and comments on the on-line consumer protection principles are requested by 31 March 2002.

The meeting expressed its gratitude to New Zealand for its work on the report and the United States for its work in drafting the proposed on-line consumer protection principles.

The meeting agreed to establish a small group comprising Japan, Mexico, New Zealand, the United States and PECC (Consumer Protection Group) to complete drafting the report and on-line consumer protection principles by 30 June 2002. These will be circulated to the ECSG for consideration prior to submission to SOM III and the AMM.

vi. Policy Environment Conducive to the Development of e-Learning

PECC briefed the meeting on the policy environment conducive to e-learning and e-training (2002/SOM I/ ECSG/012). PECC stands ready to help the ECSG and APEC take the lead in this area of work.

The meeting agreed for PECC to gather available research in this area. This will form the basis on which member economies can determine what needs to be done in individual economy contexts and then to jointly determine whether there is an APEC agenda in this area of work.

vii. 1998 APEC Blueprint for Action on Electronic Commerce

The meeting agreed to establish a small group comprising Australia; Hong Kong, China, New Zealand; Thailand; and the United States to work with the Co-Chairs to update the 1998 APEC Blueprint for Action on Electronic Commerce by, inter alia, including elements like trust and confidence in electronic transactions. The objective is to report outcomes to ECSG 6 and SOM III for consideration.

IV. Outcomes of the Privacy Forum

Outcomes and agreed follow-up action arising from the ECSG Privacy Workshop held on 22 February 2002 in Mexico City, Mexico appear as Annex C.

V. E-Commerce Activities in Other Fora

The meeting agreed for the Secretariat to prepare a 2002 Stocktake of Electronic Commerce Activities in APEC based on a format that will be conducive to business outreach. Australia would consider assisting the Secretariat in the area of matrix design.

Thailand briefed the meeting on its Workshop on Electronic Commerce Policy and Regional Cooperation, to be held on 19-21 June 2002 in Bangkok, Thailand as part of a TEL project on Electronic Commerce Capacity Building.

Korea briefed the meeting on its APEC High Level Symposium on e-Government initiative (2002/SOM I/ECSG/011) including preparation of the Strategy Report on e-Government. The meeting was supportive of the initiative and asked Korea to consider e-government work in other fora when devising the future work programme on e-government arising from the Symposium.

The United States proposed that a Workshop on e-Government be held prior to the ECSG 6 meeting. The Secretariat agreed to circulate the outcomes of the TEL e-Government Workshop to the ECSG to assist preparation of the proposed workshop.

Australia briefed the meeting on SME e-commerce awareness seminars conducted in conjunction with the Asia Oceania Electronic Marketplace Association (AOEMA). A CD-ROM on a workshop held in the Philippines in December 2001 on Demolishing Perceived Barriers to Electronic Commerce Implementation by Small and Medium Enterprises was circulated to the ECSG.

VI. Report to the SOM and Joint Fora Meeting

The meeting agreed that Mr. Zhang Shaogang of China represent the ECSG Co-Chairs at the SOM I and Joint Fora meetings on 27-28 February and 1 March 2002, respectively, in Mexico City. The meeting also agreed that the Secretariat draft ECSG reports to the said meetings for the Co-Chairs to consider.

VII. Other Business/Next Meeting

The sixth meeting of the ECSG will be at the margins of SOM III scheduled for 13-21 August 2002 in Acapulco, Mexico.

Annex A: 5th APEC Electronic Commerce Steering Group Meeting
23 February 2002, Mexico City, Mexico
Draft Annotated Agenda

- I. Introductory Remarks by Co-Chairs Mr. Zhang Daming (China) and Mr. Peter Ferguson (Canada)**
- II. Report on Outcomes of the 9th APEC Economic Leaders Meeting, the 13th APEC Ministerial Meeting, the Informal SOM Retreat of 5 December 2001 and Implications for the 2002 ECSG Work Plan, covering:**
 - i. The Shanghai Accord**
 - ii. The e-APEC Strategy**
 - iii. The APEC Leaders Counter-Terrorism Statement**

The APEC Secretariat will provide a report on outcomes relating to the work of the ECSG. Member economies to discuss implications for the work of the ECSG in 2002.
- III. Implementation of the 2002 ECSG Work Plan**
 - i. Paperless Trading IAPs**

Member economies to report on progress in preparation of paperless trading IAPs for submission to the Ministers Responsible for Trade Meeting
 - ii. APEC E-Commerce Business Alliance**

China to lead discussion on further development and realization of the APEC Business Alliance
 - iii. Proposal for Strengthening Economic and Technical Cooperation among APEC Economies in the Field of E-Commerce**

China to lead discussion on further development of the Proposal
 - iv. 2000 APEC-Wide Action Plan to Support the Use of Electronic Commerce by SMEs, incorporating priorities of micro, small and medium enterprises**

Member economies to discuss and agree on process for review of the Action Plan, including in the context of responding to the SOM's call for incorporating the priorities of micro, small and medium enterprises throughout the APEC agenda
 - v. Consumer Protection**

New Zealand and the United States to lead discussion on the consumer protection survey and the development of voluntary APEC on-line consumer protection principles
 - vi. Policy Environment Conducive to the Development of e-Learning**

PECC to report on the outcome of its review of recommendations put forth on the policy environment conducive to the development of e-learning
 - vii. 1998 APEC Blueprint for Action on Electronic Commerce**

Member economies to discuss and agree on process for the review and update of the 1998 Blueprint
- I V. Outcomes of the ECSG Privacy Forum**

Forum Chair to report on its outcomes and recommendations

V. E-Commerce Activities in Other Fora

This agenda item allows the ECSG to fulfil its role of continued coordination of APEC e-commerce activities. In this context, the utility and format of the 2002 Stocktake of E-Commerce Activities in APEC could be discussed. This agenda item also provides an opportunity to for member economies to share developments in other non-APEC fora.

VI. Report to the SOM and Joint Fora Meeting

The Co-Chairs will lead a discussion on the report to Senior Officials at SOM I and participation at the Joint Fora Meeting

VII. Other Business/Next Meeting

Annex B: APEC Secretariat Briefing on Outcomes of the 9th APEC Economic Leaders Meeting (AELM), 13th APEC Ministerial Meeting (AMM) and the Informal SOM Retreat on 5 December 2001

APEC 2001 Tasking Statement

References from the AELM Declaration and AMM Joint Statement issued in Shanghai, China in October 2001 relevant to the work of the eATF, ECSG and TEL are attached.

APEC 2002 Priority Themes

Expanding the Benefits of Cooperation for Economic Growth and Development – Implementing the Vision through:

- promoting the implementation of appropriate trade, investment and financial policies that foster growth and take advantage of the new economy;
- continuing to build capacity so as to reap the benefits of development, placing special emphasis on the promotion of small and medium enterprises and micro-enterprises; and
- continuing to make APEC a relevant forum to our people by fostering greater participation from youth and women, by stepping up our efforts in communicating the benefits of globalisation and by continuing the improvement of the functioning of APEC.

The core element of APEC 2002 Mexico will be “Implementing the Vision”. APEC must regain its credibility through implementation, with continuity from APEC 2001 China through to APEC 2003 Thailand.

In 2001, APEC expanded its vision through the Shanghai Accord and the e-APEC Strategy. These documents lay the foundation to implement policies that are required to foster economic growth, make the regulatory environment more transparent, and bring significant reductions in transaction costs.

Improvement in the functioning of APEC will be carried out with emphasis on economies of scale, a review of the role of the ESC and the APEC Secretariat.

Outcome of the Informal SOM Retreat: Recommended Course of Action Regarding Implementation of the Shanghai Accord and other Leaders and Ministers Instructions relevant to the Work of the eATF, ECSG and TEL

Shanghai Accord

- Broadening and Updating the OAA – APEC fora to respond to SOM on how, from their perspective, the OAA might be broadened to reflect fundamental changes in the global economy since Osaka, such as development of the new economy including through implementation of relevant aspects of the e-APEC Strategy. The intention is to provide an interim report to APEC Ministers in late May and then a final report at the AMM in October. Revision of Part I of the OAA will be coordinated by the CTI. Revision of Part II of the OAA will be coordinated by the ESC.

- Trade Policies for the New Economy – CTI to propose a work programme to SOM to develop targets on appropriate trade policies for the new economy, including capacity building programmes.
- APEC Trade Facilitation Principles – CTI to propose a work programme to SOM to identify concrete actions and measures to implement the Principles by 2006 with the aim of reducing transaction costs by 5 percent across the APEC region.
- Transparency – CTI to propose a work programme to SOM on how transparency provisions contained in agreed APEC initiatives could be reflected in IAPs starting in 2002. Leaders also noted the importance of cooperation on e-government for achieving the objective of transparency in economic governance.
- APEC fora to respond to SOM on how the priorities of micro, small and medium enterprises have been incorporated into their agenda.

e-APEC Strategy

- The eATF to inform SOM of a work programme to implement the e-APEC Strategy and on the way its outcomes should be presented to the next AMM.

AELM Statement on Counter-Terrorism

- Relevant APEC fora (CTI, EC, EWG, IST, TEL, TPT, TWG and Finance Ministers Process) to report on steps taken to implement by the next AELM instructions contained in the Statement.

Role of the APEC Secretariat

- APEC Secretariat to present to SOM an evaluation regarding its requirements and proposals for the improvement of its functioning.

Other Points

Pathfinder Approach

- The Shanghai Accord refers to the adoption of a “pathfinder approach” in advancing some APEC initiatives. Leaders reaffirm that those economies ready to initiate and implement a cooperative arrangement on a pilot basis may proceed to do so, consistent with the Bogor Declaration. The methodology and timing for implementing the “pathfinder approach” is to be determined.

Role of the APEC Secretariat

- The APEC Secretariat has proposed documents to the 2002 APEC Joint Fora Meeting to enhance transparency and reduce burden with respect to APEC reporting requirements.

Action Required

- Note the briefing.
- Respond to the relevant tasking from the AELM, AMM and SOM on the Shanghai Accord, the e-APEC Strategy and the AELM Statement on Counter-Terrorism.

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**REFERENCES FROM THE LEADERS' DECLARATION AND MINISTERIAL JOINT STATEMENT
ISSUED IN SHANGHAI, CHINA, OCTOBER 2001 RELEVANT TO eATF, ECSG and TEL WORK**

Issue	Tasking	Responsible Fora
Strengthening the Multilateral Trading System	<p>Leaders:</p> <p>We reconfirm the commitment to the APEC-wide moratorium on the imposition of custom duties on electronic transmissions, and agree on its extension until the Fifth WTO Ministerial Conference, recognizing the importance of relevant WTO agreements for electronic commerce. (23)</p> <p>Ministers:</p> <p>Ministers undertook to refrain from using measures that increase levels of trade protectionism. To this end, they reaffirmed their commitment to the APEC-wide moratorium on the imposition of custom duties on electronic transmissions until the Fourth WTO Ministerial Conference, and agreed to extend the moratorium until the Fifth Ministerial Conference. Ministers also supported a vigorous continuation of the WTO's work program on E-commerce. (12)</p>	Member economies, and CTI
Shanghai Accord (also see other relevant issues)	<p>Leaders:</p> <p>We announce today the Shanghai Accord as a strategic, forward agenda for the development of APEC in the coming years. The Accord not only gives voice to our common resolve to fulfill our commitments, it also stands as a template laying out some key steps to be taken to achieve our Goals and Objectives. Reflecting the diversity of APEC's membership, it incorporates trade and investment as well as economic and technical cooperation as two mutually supportive and reinforcing elements.</p> <p>In the Shanghai Accord, we commit to:</p> <ul style="list-style-type: none"> ● Broadening APEC's vision for the future by identifying a conceptual and policy framework to guide APEC in the new century. Such a framework recognizes the changes entailed by globalization and the New Economy and reflects the need to extend the APEC agenda to cover reforms and capacity building at both domestic and international levels; ● Clarifying APEC's roadmap for achieving the Bogor Goals on schedule with a mid-term stocktake of the overall progress in 2005, including by broadening and updating the Osaka Action Agenda, adopting a pathfinder approach in advancing selected APEC initiatives towards achieving the Bogor Goals, promoting the adoption of appropriate trade policies for the New Economy, following up on the APEC Trade Facilitation Principles, pursuing greater 	Member economies, SOM, CTI and WGs

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	<p>transparency in economic governance; and</p> <ul style="list-style-type: none"> ● Strengthening APEC's implementation mechanism by strengthening the Individual Action Plan Peer Review process, reinforcing Ecotech and capacity building efforts. (30) <p>We direct our Ministers and Officials to follow up actively on the Accord. (31)</p>	
Pathfinder Initiative	<p>Leaders:</p> <p>Leaders reaffirm that those economies ready to initiate and implement a cooperative arrangement may proceed to do so, consistent with the Bogor Declaration. Leaders encourage the development of such "pathfinder initiatives" and agree that in adopting such an approach, APEC principles of voluntarism, comprehensiveness, consensus-based decision-making, flexibility, transparency, open regionalism and differentiated timetables for developed and developing economies should be observed. Leaders also agree that these initiatives should be transparent and open, with clearly defined objectives and framework for implementation to encourage the broadest participation by other APEC members when they are ready to join. (SA)</p>	Member economies, SOM, CTI and WGs
Osaka Action Agenda (OAA)	<p>Leaders:</p> <p>Leaders agree that the OAA should be broadened to reflect fundamental changes in the global economy since Osaka, such as the development of new economy including through the implementation of relevant aspects of e-APEC Strategy, and Strengthening the Functioning of Markets. Leaders direct Ministers to follow this up. Officials should present an interim report at the 2002 Meeting of Ministers Responsible for Trade (MRT) and a full report at the 2002 APEC Ministerial Meeting (AMM) on their recommendations with regard to broadening the OAA. (SA)</p> <p>Ministers:</p> <p>Ministers further underlined the strategic significance of the updated of OAA Part I in providing a long-term framework for advancing the APEC TILF agenda. Ministers encouraged member economies to take the updated OAA Part I into account when updating their IAPs for 2002 and beyond. (17)</p> <p>Ministers also instructed Working Groups to make sure their future activities are consistent with the updated OAA II and include in their annual report to the SOM information on the implementation of</p>	<p>Member economies, SOM, and all APEC fora</p> <p>Member economies, SOM, CTI and its subfora, EWG, TEL, TWG and TPT All Working Groups And GEI</p>

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	OAA II so that progress can be monitored. (34)	
Collective Action Plans (CAPs)	<p>Leaders</p> <p>Leaders direct Ministers to pursue the implementation of APEC's agreed transparency principles, taking into account economies' specific circumstances and report on the progress in their IAPs in 2002 and thereafter. Leaders also underline the importance of well-targeted assistance to help the developing economies make progress towards greater openness and transparency. Leaders note the importance of cooperation on e-government for achieving this objective. (SA)</p> <p>Leaders instruct Ministers to identify, by Ministerial Meeting in 2002, concrete actions and measures to implement the APEC Trade Facilitation Principles by 2006 in close partnership with the private sector. The objective is to realize a significant reduction in the transaction costs by endeavoring to reduce them by 5% across the APEC region over the next 5 years. Leaders also instruct Ministers to explore the possibility of setting objective criteria on trade facilitation, taking fully into account the diversity among the members as well as progress achieved in respective economies so far. Leaders also agree that assistance programmes to help build the capacity of developing economies in trade facilitation are particularly important. (SA)</p> <p>Ministers:</p> <p>Ministers directed CTI to continue to give priority in its 2002 work program, to producing tangible deliverables in CAPs, as envisaged in the Osaka Action Agenda. (21)</p> <p>Emphasizing the benefits of trade facilitation, Ministers instructed officials to identify concrete actions and measures to implement the APEC Trade Facilitation Principles in 2002 to promote the flow of goods and services in the region, and stressed that capacity-building should remain a central component of APEC's work on trade facilitation. (23)</p>	Member economies and CTI

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New Economy	<p>Leaders:</p> <p>We commend the crosscutting character of the e-APEC Strategy and urge APEC fora and member economies to implement the programs for collective and individual actions set out in the Strategy, as appropriate. Under the current circumstances, the early implementation of the Strategy will also support the revival of the ICT sector. (15)</p> <p>Leaders recognize the importance of adopting appropriate trade policies to reflect the new context and encourage the development of the New Economy. As part of this effort, Leaders instruct officials to undertake by mid-2002 an exchange of appropriate trade policy information, such as information on the status of liberalization of services, and adherence to tariff and intellectual property regimes. On this basis, economies may develop targets by the Ministerial Meeting in 2002. In this exercise, account should be taken of the implementation of relevant recommendations endorsed in the e-APEC Strategy. Given the diversity among member economies, Leaders agree that the development of the New Economy would also involve developing and implementing concrete capacity building programs to improve performance. (SA)</p> <p>Ministers:</p> <p>Ministers urged members to take concrete and concerted actions to implement the e-APEC Strategy so as to maximize the benefits of the ICT revolution, address the digital divide and benefit from the opportunities presented by the emerging New Economy. (42)</p> <p>Ministers urged economies to implement appropriate policies and actions to promote sustainable and sound macroeconomic policy framework, sustained structural reform, an effective competition regime, good financial and corporate governance, etc. and actions to promote sustainable growth; encouraged economies to create a policy environment conducive to competitive investment and the widespread uptake of beneficial technologies; and urged economies to take actions to improve human capacity building and promote entrepreneurship. Ministers also encouraged economies to develop innovation-oriented policies and promote the participation of SMEs in New Economy activities. (43)</p> <p>Ministers urged member economies to take concrete actions to turn the e-APEC vision into reality,</p>	Member economies, e-APEC Task Force and all APEC fora
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	<p>which would definitely help facilitate spreading the benefits of the New Economy, enhancing the momentum of economic development and revitalizing not only regional, but also the global economy. (44)</p> <p>Ministers encouraged member economies and relevant APEC fora to implement the e-APEC Strategy through broad cooperation and collaboration. In this regard, Ministers directed Senior Officials, in cooperation with the Finance Deputies, where appropriate, to facilitate and oversee the process of implementing the Strategy and report the outcomes to the responsible Ministers at their next year's meeting in Mexico. Ministers welcomed the report on progress in developing the Network of Skills Development Centres and encourage full participation by members. (44)</p> <p>Ministers welcomed Individual Action Plans on Paperless Trading submitted by some member economies, encouraged other member economies to participate in the delivery of Paperless Trading IAPs, and instructed SOM to report on progress to the MRT Meeting in 2002. Ministers also welcomed the report on Paperless Trading: Benefits to APEC, and encouraged APEC members to reduce regulatory and institutional barriers to paperless trading. (47)</p> <p>Ministers welcomed the implementation of Phase I of the project on Transforming the Digital Divide into a Digital Opportunity by Chinese Taipei and urged the early implementation of Phase II work in 2002. (49)</p> <p>Ministers reaffirmed commitments to triple access to the Internet by 2005, and to ensure that all groups within an economy have access individually or through community-based services to the Internet by 2010; and they commended the TEL for developing a Digital Divide Blueprint for Action and called for its completion and implementation. (50)</p> <p>Ministers instructed the e-APEC Task Force, TEL, ECSG, HRD, and SME WGs, and other APEC fora to continue their endeavors in carrying forward the e-APEC activities in various areas within APEC and enhance their cooperation in ICT development in the region. (51)</p>	<p>TEL</p> <p>e-APEC Task Force, TEL, ECSG, HRD, and SME</p>
Strengthening Markets	<p>Leaders:</p> <p>We pledge to accelerate our domestic efforts to build capacity and deepen structural reform so as to strengthen the market fundamentals across the region. To this end, we emphasize the importance of sound economic policies and corporate governance as well as the important role and responsibility of governments in shaping the legal and regulatory framework that encourages competition and innovation, with an increased emphasis on capacity building. We welcome contributions by Pacific</p>	Member economies

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	<p>Economic Cooperation Council (PECC) in these areas. We direct responsible Ministers and Officials to build on their work. (7)</p> <p>Ministers:</p> <ul style="list-style-type: none"> • Took note of the work of the coordinating group on Strengthening Economic Legal Infrastructure led by Australia, Japan and Peru, particularly the completion of Menu of Options for Strengthening Economic Legal Infrastructure, called for early implementation and the development of cooperative projects in capacity and institutional building, corporate law and competition policy, based on the Cooperation Framework, and urged continuous efforts in building capacity and skills of individuals, institutions and agencies in developing and applying commercial, corporate and competition law; • Endorsed the Guidelines for Good Corporate Governance Practice developed by PECC and encouraged APEC members to implement the Guidelines on a voluntary basis; • Welcomed the Guidelines of Best Practices for Entrepreneurship and Start-up Companies, which was the principal outcome of a Symposium in this regard held on August 2-3 2001 in Chinese Taipei, and encouraged relevant APEC fora to apply the Guidelines to their future work; and • Recognized the importance of capacity building for the implementation of APEC Principles to Enhance Competition and Regulatory Reform, and welcomed further work in this area, such as training programs (40). 	
Beijing Initiative/Human Capacity Building (HCB)	<p>Leaders:</p> <p>We reiterate that human capacity building (HCB) remains a central theme this year and the years ahead. We commend the success of the High-Level Meeting on Human Capacity Building, and welcome the Beijing Initiative as a comprehensive set of principles for human capacity building, which also provides opportunities for further work in the New Economy. We call on APEC fora and member economies to undertake follow-up activities in specific areas of their interest in the spirit of developed and developing economies complementing each other. (11)</p>	Member economies, SOM and all APEC fora

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	<p>Ministers:</p> <p>Ministers applauded the various initiatives undertaken in this respect, particularly the Beijing Initiative adopted at the APEC High Level Meeting on Human Capacity Building and agreed to submit the Beijing Initiative to Leaders as a way to provide opportunities for further work on human capacity building in the context of the New Economy. Ministers instructed Senior Officials, working through APEC fora, to further develop and carry out initiatives for future work as appropriate to translate the shared vision into action. (27)</p>	
APEC HCB Strategy	<p>Ministers:</p> <p>Ministers welcomed the significant progress in formulating an APEC Human Capacity Building Strategy on New Economy done by the Human Capacity Building Coordinating Group (HCBCG) as an effective response to the present and future need for transforming the "digital divide" into "digital opportunities" so that the opportunities of the New Economy can be widely shared in the APEC region and encouraged the HCBCG to finish their work by SOM I 2002, with the active participation of all working fora and economies. (28)</p>	SOM and HCBCG
APEC Education Initiatives	<p>Ministers:</p> <p>Ministers expressed their appreciation to the APEC Education Foundation for its leadership in launching the APEC Cyber Education Cooperation Consortium and recognized the Foundation's potential as a useful vehicle for HCB efforts, especially in the area of cyber education cooperation. Ministers encouraged further participation in the work of the Foundation and the Consortium by member economies, business, academia and other stakeholders with a view towards realizing an APEC cyber education community. (30)</p>	Member economies, HRD (and APEC Education Foundation)
Economic and Technical Cooperation (Ecotech)	<p>Leaders:</p> <p>Reaffirming the importance of Economic and Technical Cooperation (ECOTECH) in achieving equitable growth and sustainable development, we welcome the progress that APEC has made in advancing Ecotech goals and underscore that Trade and Investment Liberalization and Facilitation and Ecotech should be mutually reinforcing. We call for efforts to this end to be further strengthened.</p>	<p>All fora</p> <p>SOM, ESC and all</p>

REFERENCES FROM THE LEADERS' DECLARATION AND MINISTERIAL JOINT STATEMENT ISSUED IN SHANGHAI, CHINA, OCTOBER 2001 RELEVANT TO eATF, ECSG and TEL WORK

	<p>Leaders recognize the importance of substantially enhancing the profile of Ecotech and improving the coordination and management of Ecotech activities of all fora. In this context, Leaders welcome the review to be undertaken on the mandate and role of the SOM Subcommittee for Ecotech (ESC), and look forward to early progress. Leaders instruct Ministers and officials to intensify Ecotech activities and report the progress to the Ministerial Meetings next year. (SA)</p> <p>Ministers:</p> <p>Ministers also directed Senior Officials to review the function and mandate of the ESC with a view to making recommendations to the next Ministerial Meeting on any adjustments required to ensure the most effective possible leadership and coordination of APEC's ECOTECH work. (32)</p>	<p>APEC fora</p> <p>SOM and ESC</p>
Small and Medium-sized Enterprises (SMEs)	<p>Leaders:</p> <p>Given the importance of Small and Medium-sized Enterprises (SMEs) and micro-enterprises, we instruct Ministers and Officials to build on APEC's Integrated Plan of Action for SMEs and place special emphasis on micro-enterprises. (14)</p> <p>Leaders also recognize the need to encourage the incorporation of the priorities of micro, small and medium enterprises throughout the APEC agenda. (SA)</p>	Member economies and all Fora
Implementation of Sectoral Ministerial Initiatives	<p>Ministers:</p> <p>Ministers commended officials for their efforts and directed them to urge APEC fora to continue to implement the decisions and initiatives of various Sectoral Ministerial Meetings. (57)</p>	CTI, EWG, HRD, IST, MRC, SME, TEL, TWG, and TPT,
Outreach Strategy and Interaction	<p>Leaders:</p> <p>APEC should reach out to business and other stakeholders to communicate APEC's objectives, activities and benefits to ensure that they participate in and benefit from the APEC process and globalization at large. We also direct our Ministers and Officials to develop and implement programs to give effect to the APEC Communications and Outreach Strategy as well as the conclusions of the Ad Hoc Group on APEC Interaction. (17)</p>	Member economies, SOM, all fora, and Secretariat

**REFERENCES FROM THE LEADERS' DECLARATION AND MINISTERIAL JOINT STATEMENT
ISSUED IN SHANGHAI, CHINA, OCTOBER 2001 RELEVANT TO eATF, ECSG and TEL WORK**

	<p>Ministers:</p> <p>Ministers accepted the SOM Report on APEC Interaction and on Public Outreach and Communications, reinforcing the importance for APEC of ensuring appropriate community engagement and input in its work, and endorsed the APEC Communications and Outreach Strategy. (72)</p>	
Gender Issue	<p>Leaders:</p> <p>We take satisfaction at the significant progress made, through the leadership of the Ad Hoc Group on Gender Integration, in the capacity of APEC to address gender equity in its work. (19)</p> <p>Ministers:</p> <p>Ministers endorsed SOM's recommendations including the extension of AGGI's term to the end of 2002 in order to enable it to complete its work. (68)</p> <p>Ministers instructed officials and APEC fora to continue to ensure that women are involved in and benefit from their work. Ministers tasked officials to complete the development of monitoring mechanisms to ensure the sustainability of gender mainstreaming initiatives in APEC. (69)</p>	Member economies, SOM, AGGI and all APEC fora
Management Issues	<p>Ministers:</p> <p>Ministers further instructed relevant APEC fora to identify and invite the participation of outside groups that can make a contribution to their work. Ministers also directed Senior Officials to make further progress in examining the possibility of simplifying the management and administration of the guidelines on non-member participation within the existing policy principles and report the result next year. (72)</p> <p>Ministers further instructed Senior Officials to continue their work in improving efficiency and effective use of time in all APEC fora, particularly by undertaking further work in the area of reporting requirements and project-related procedures, as well as clarifying a standard expectation of Secretariat support for APEC fora, and to report to the next Ministerial meeting on the progress made. (74)</p>	<p>SOM, BMC and all APEC fora</p> <p>SOM, BMC, all APEC fora and Secretariat</p>

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Counter-Terrorism	<p>Leaders:</p> <p>Leaders are determined to enhance counter-terrorism cooperation in line with specific circumstances in their respective economies, through:</p> <p>Strengthening of APEC activities in the area of critical sector protection, including telecommunications, transportation, health and energy.</p> <p>Enhancement of customs communication networks and expeditious development of a global integrated electronic customs network, which would allow customs authorities to better enforce laws while minimizing the impact on the flow of trade.</p> <p>Strengthening capacity building and economic and technical cooperation to enable member economies to put into place and enforce effective counter-terrorism measures.</p> <p>Cooperation to limit the economic fallout from the attacks and move to restore economic confidence in the region through policies and measures to increase economic growth as well as ensure stable environment for trade, investment, travel and tourism.</p>	<p>Member economies, TEL, TPT, IST and EWG</p> <p>Member economies and CTI</p> <p>Member economies and all APEC fora</p> <p>Member economies, CTI and TWG</p>
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Annex C: Co-Chair's Report on the Outcomes of the APEC ECSG Privacy Workshop, 22 February 2002, Mexico City, Mexico

Proposal on Future APEC ECSG Action in the Area of On-line Privacy Protection

The scope of the work includes the protection of on-line consumer and citizen information.

1. Great stress was placed on the need of economies to balance their response to on-line privacy protection. Issues to be balanced include:
 - a. free flow of information including transborder information flows and privacy protection;
 - b. legislative and statutory protection measures and self-regulation;
 - c. business, government, and consumer interests.
2. Clarity of action and intent were stressed in both the formulation of corporate and government policies regarding privacy to ensure consumer confidence and understanding.
3. Development of corporate and government privacy policies should be carried out with clear goals and definitions so as to avoid unintended consequences.
4. It was stated by many that it is critically important that policy and legislation be flexible, responsive, focused on harm, reassessed on a regular basis, and modified as needs dictate.
5. A number of speakers noted that there are different combinations of policy approaches put to use in member economies in order to protect privacy and that each economy must determine the mix most appropriate to their situation:
 - a. statutory response;
 - b. self-regulation; and
 - c. "The Third Way" – a mix of statute and self-regulation.
6. In regards to the "mix" it was urged that Alternative Dispute Resolution (ADR), specifically mediation be formally integrated into the options discussed when formulating privacy protection processes.
7. To deal with privacy protection discussions in APEC, it was noted that efforts must be made to continue to integrate consumer, industry representatives, and representatives of various public sector offices for the purpose of:
 - a. evaluation of policy approaches;
 - b. education and awareness; and
 - c. outreach.

Follow-up Actions to be Considered

1. mapping of current policies and resources available in the APEC region;
2. review of current international efforts in privacy protection policy, technologies, legislation, and self-regulation development; and
3. exploration of goals and definition of the phases of APEC discussion in this area.